



# Second quarter 2019 Earnings webcast

August 8th, 2019



# About projections and forward-looking statements

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# 2<sup>nd</sup> quarter 2019 highlights

Consolidated figures in Vista Oil & Gas, S.A.B. de C.V. include operations in Argentina and Mexico

## Outstanding results in Vaca Muerta development

**Bajada del Palo Oeste productivity among best-in-basin**

**Reduced drilling and completion cost by 9% from first to second pad**



**Daily Production<sup>(1)</sup> 29,016 boe/d**

**Revenues 120.4 \$MM**

**Adj. EBITDA<sup>(2)</sup> 51.5 \$MM**

**Adj. EBITDA margin<sup>(2)</sup> 43%**

**Cash 74.5 \$MM**

**Net Debt<sup>(3)</sup> 291.8 \$MM**

**Net Leverage Ratio<sup>(4)</sup> 1.6 x**

- ✓ Closed Aleph Midstream JV
- ✓ Dual Listed on NYSE
- ✓ Issued two series of bonds in Argentina

(1) Includes natural gas liquids (NGL) and excludes flared gas, injected gas and gas consumed in operations

(2) Adj. EBITDA = Net (loss) / profit for the period + Income tax (expense) / benefit + Financial results, net + Depreciation + Restructuring expenses + Other adjustments

(3) Net Debt: Current borrowings (85.9 \$MM) + Non-current borrowings (280.3 \$MM) – Cash and cash equivalents (74.5 \$MM) = 291.8 \$MM

(4) Vista's LTM Adj. EBITDA

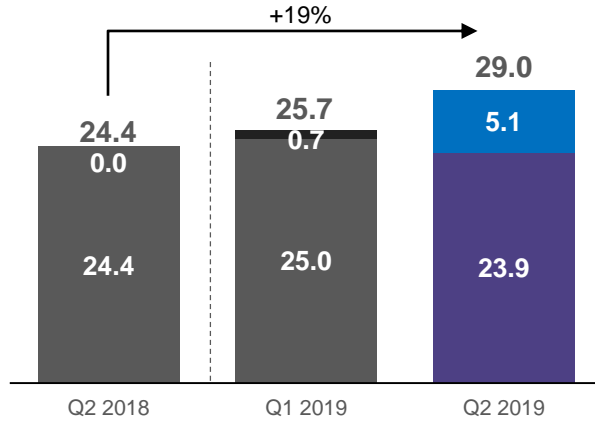
# Production

Growth driven by significant shale oil ramp-up



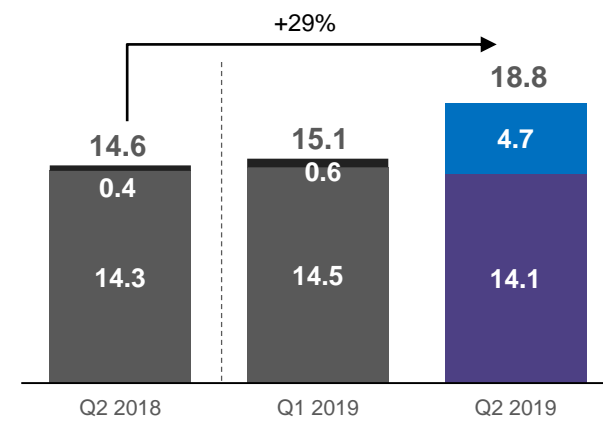
## Total production

Mboe/d



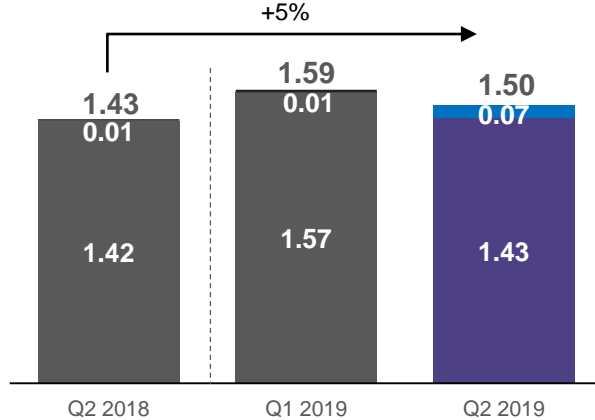
## Oil production

Mboe/d



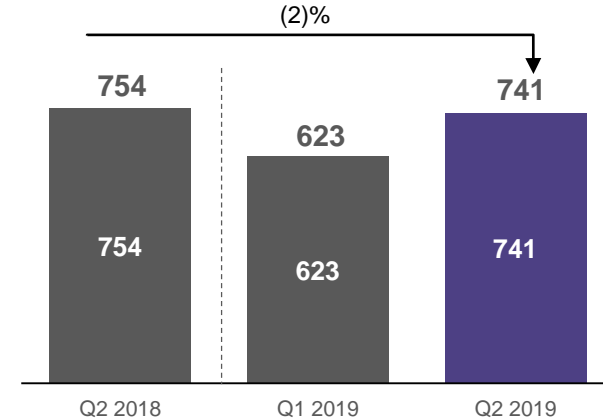
## Natural gas production

MMm3d



## NGL production

boe/d



■ Previous quarter - conventional

■ Previous quarter - unconventional

■ Q2 2019 - conventional

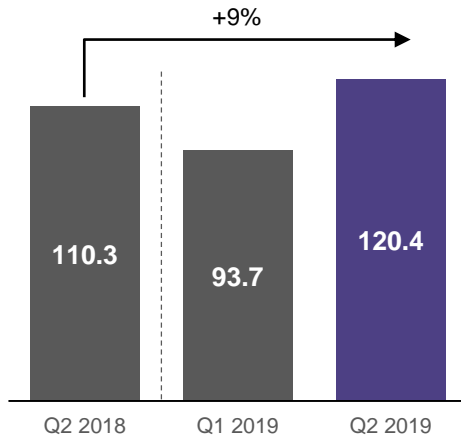
■ Q2 2019 - unconventional

# Revenues and pricing

Revenues growth driven by higher production

## Revenues

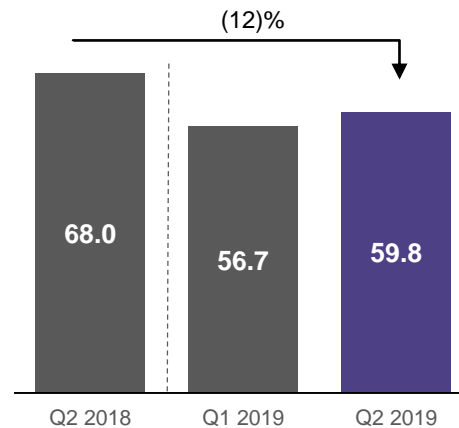
\$MM



- Driven by higher volumes sold, partially offset by lower realized prices

## Crude oil average price

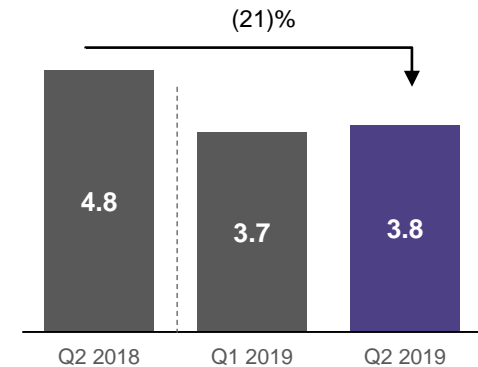
\$/bbl



- Main off-takers were Trafigura and Shell
- Sales prices impacted by a lower average Brent price and export parity based pricing formula

## Natural gas average price

\$/MMBtu



- Softer sales prices mainly driven by over-supplied domestic natural gas market

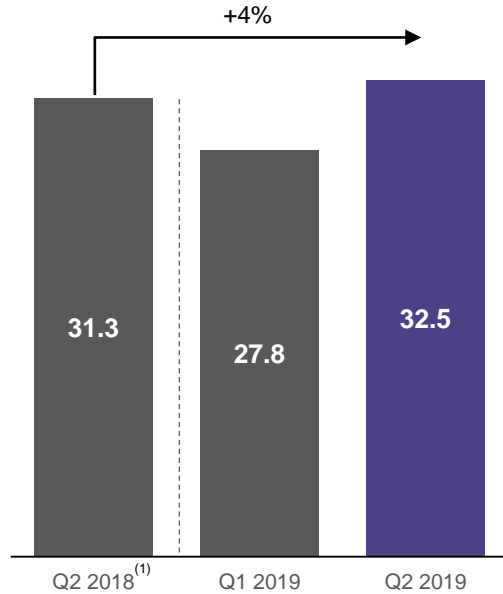
# Opex

Strong y.o.y. lifting cost reduction



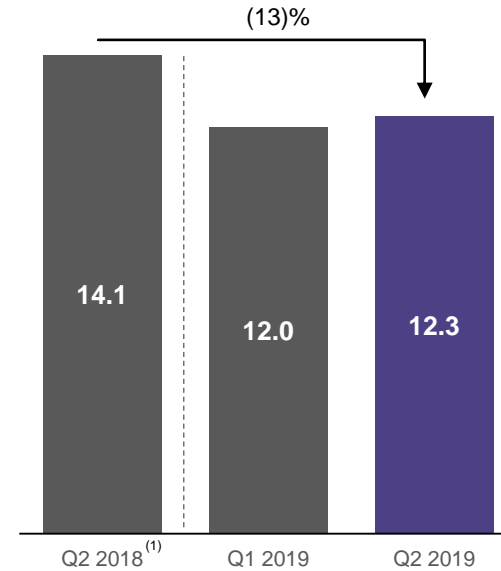
## Total Opex

\$MM



## Opex per boe

\$/boe



- Continued focus on controlling costs with new contracting model; decrease in lifting cost versus Q2 2018 driven by shale production ramp-up with minimal incremental cost

(1) Includes crude oil stock fluctuation for \$MM 0.4

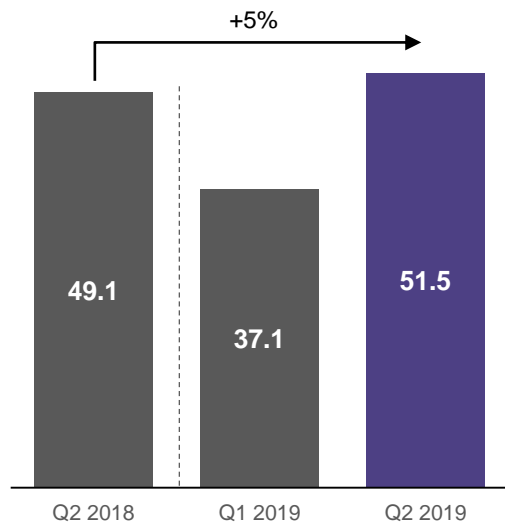
# Adjusted EBITDA

Y.o.y. growth driven by shale oil production ramp-up



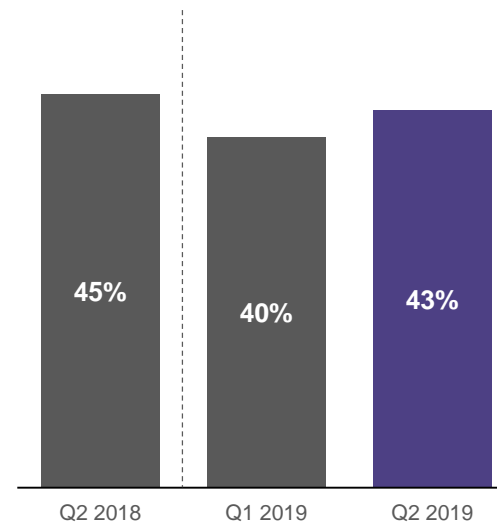
## Adj. EBITDA<sup>(1)</sup>

\$MM



## Adj. EBITDA Margin

%



- Production growth more than offsets lower realized prices

(1) Adj. EBITDA = Net (loss) / profit for the period + Income tax (expense) / benefit + Financial results, net + Depreciation + Restructuring expenses + Other adjustments

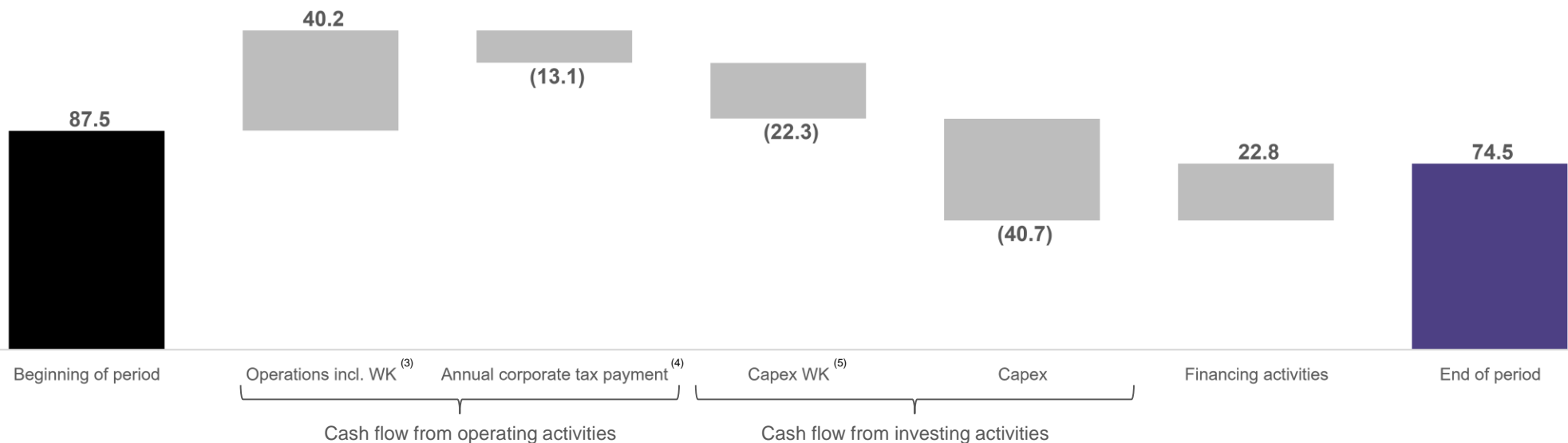
# Financial overview

Solid financial position



## Q2 2019 Vista consolidated cash flow

\$MM



Financial debt breakdown	As of June 30, 2019	Quarterly leverage ratios as of June 30, 2019 <sup>(1)</sup>
5-year unsecured term loan	305.6	Gross leverage ratio 2.0 x
Local debt in Argentina (US dollar denominated)	60.6	
<b>Total financial debt<sup>(2)</sup></b>	<b>366.2</b>	Net leverage ratio 1.6 x
(-) cash and cash equivalents	74.5	Pro forma net leverage ratio <sup>(6)</sup> 1.1 x
<b>Net debt</b>	<b>\$291.8</b>	

(1) Vista's LTM Adj. EBITDA

(2) Current borrowings total 85.9 \$MM while non current borrowings total \$MM 280.3

(3) Excludes tax payments; Includes acquisition of property, plant and equipment pending to be paid as of June 30, 2019

(4) FY 2018 income tax payment

(5) Reversal of acquisition of property, plant and equipment pending to be paid as of June 30, 2019

(6) Pro forma \$100 million equity issuance; estimated net proceeds of \$93.24 million



# Funding Aleph Midstream joint-venture

Strategic transaction frees up capital for higher return upstream activities



## Transaction Summary

- Vista, Riverstone and Southern Cross created an independent midstream company to operate in the Neuquina basin focused on Vaca Muerta shale oil
- Vista is expected to contribute a majority of its existing midstream assets to Aleph in exchange for a equity interest of at least 21.6% in the company
- Financial Sponsors are expected to contribute up to \$160 million to Aleph in exchange for an equity interest in the company of up to 78.4%
- Aleph Midstream is managed by an independent management team and its board is chaired by an independent chairman
- Aleph Midstream is expected to deploy necessary capital to build additional facilities required to service Vista's projected increase in oil and gas production
- Vista expects to commit and deliver a minimum volume of hydrocarbons to Aleph Midstream at an agreed tariff, plus operational expenses

## Business case

- Aleph is the first midstream player focused on providing gathering, processing, and evacuation services for oil and gas production in the Neuquina basin
- History of unconventional play in the United States shows that offloading midstream capital to a third party can allow for a potential more rapid production growth
  - Aleph Midstream could allow upstream players to focus on core E&P activities

# Funding: capital markets activity

Raised \$200 million through dual listing in NYSE and two-tranche Argentine bond issuances



**VIST**  
**LISTED**  
**NYSE**

**Vista closed and settled a global offering of 10,906,257 shares in NYSE and BMV and began trading on the NYSE**

- Gross proceeds totaled approximately \$ 101 million
- Following the closing of the transaction, Vista's outstanding shares reached 86,835,259
- Shares were issued at 9.25 \$/share
- After the offering, shares are traded under the ticker VIST in NYSE



**Vista Argentina raised \$50 million in 24-month local bond issuance and raised additional \$50 million in 36-month subsequent local bond issuance**

- 7.88% and 8.50% annual interest rate for the 24-month and 36-month class, respectively
- Bullet at maturity on July 31, 2021 and August 7, 2022
- Quarterly interest payments

# Vaca Muerta development (1/2)

Significant drilling and completion improvement between first and second pads

## State-of-the-art technology

Drilling:

- Drilled surface and intermediate sections with spudder rig
- Rotary Steering System during the build-up section

Completion:

- Silobags to store proppant near the pad's location
- Monoline frac-manifold system to connect all 4 wells
- Rig-lock wireline connection and frac valves remote greasing

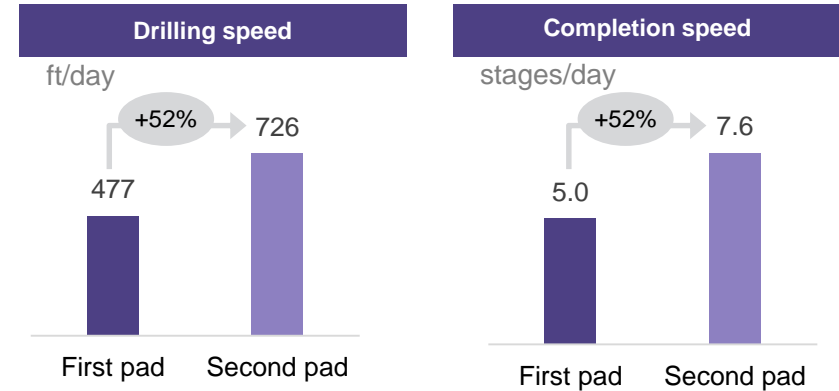
## Drilling and completion cost within budget

Metric	Average per well	
	First pad	Second pad
Lateral length (meters/ft)	2,550 / 8,366	2,117 / 6,946
Stages (#)	34	36
Frac spacing (meters/ft)	75 / 246	60 / 197

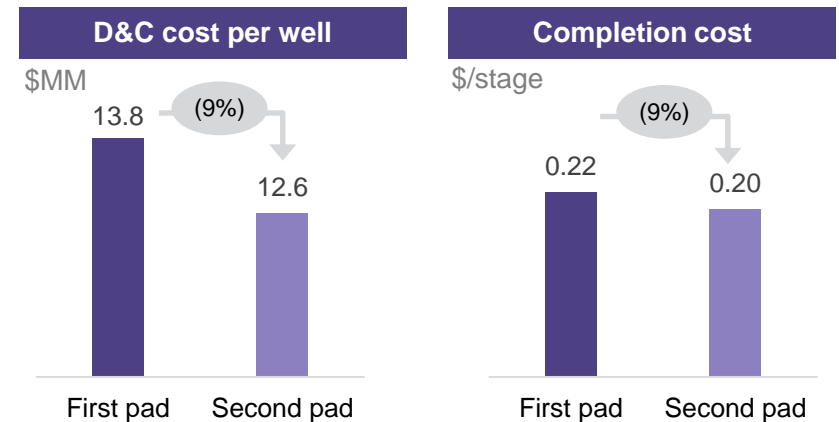
### First pad highlights

- 5 average stages per day (136 stages in 27 days)
- Pumping time reached 19.3 hours and 8 stages in a 24-hour period
- Fluids and sand reached 12,697 m<sup>3</sup> / 42,856 sxs
- 10 clusters per stage

## Improved efficiency in second pad



## Significant cost reduction in second pad



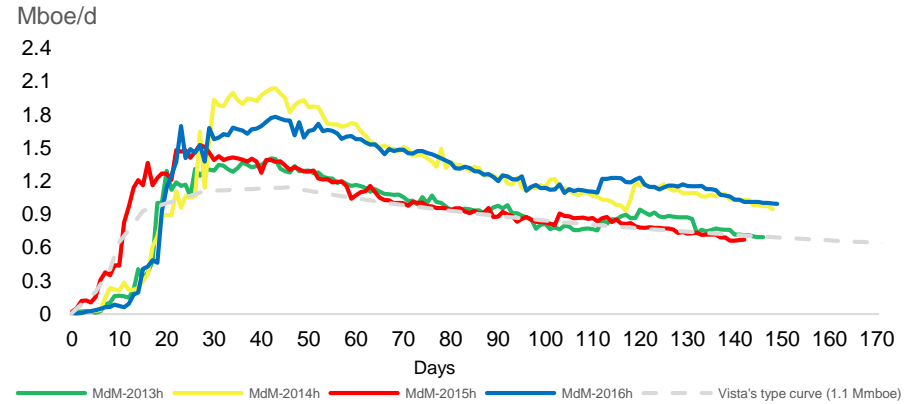
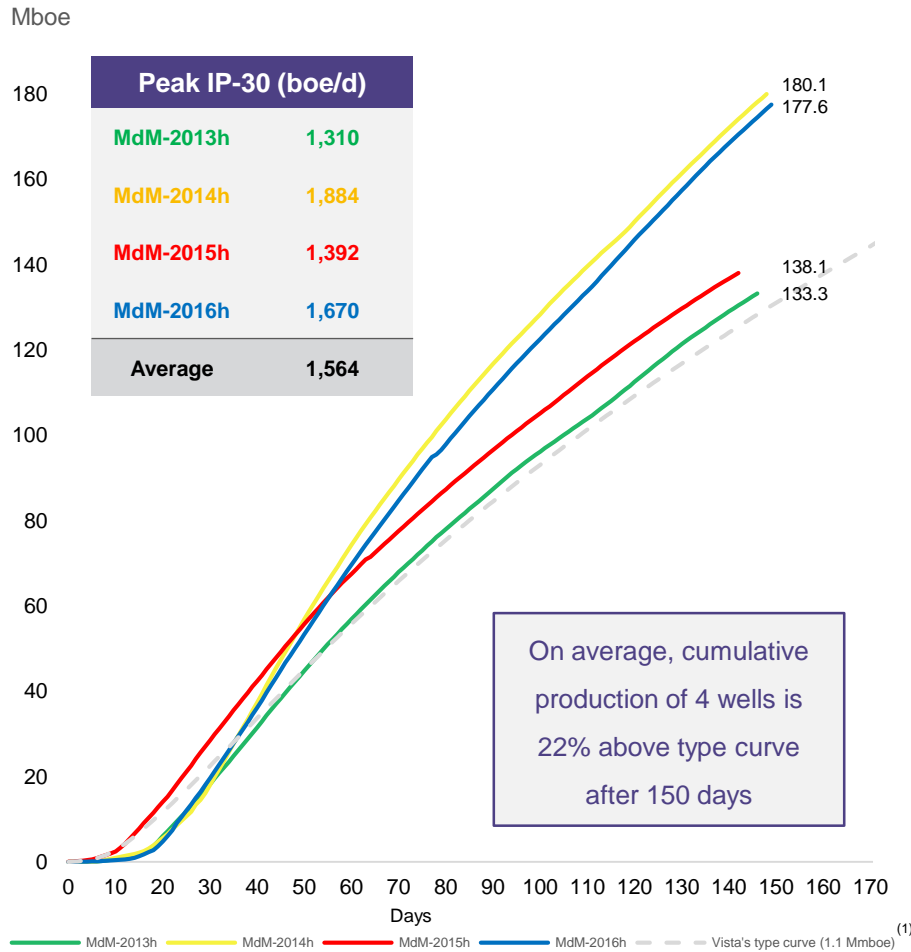
### Second pad highlights

- 7.6 average stages per day (143 stages in 18.8 days)
- Pumping time reached 22.0 hours and 11 stages in a 24-hour period
- Reduced frac spacing from 75 to 60 meters

# Vaca Muerta development (2/2)

Strong results from the first 4-well pad in Bajada del Palo Oeste

## Outstanding production performance above Vista's type curve



## Two successfully tested landing zones

Formation	First pad	Second pad
Upper Carbonate	To be tested by Vista	
Mid Carbonate	To be tested by Vista	
Lower Carbonate	To be tested by Vista	
<b>Organic</b>	MdM-2013h (Green dot) MdM-2015h (Red dot)	MdM-2029h (Green dot) MdM-2032h (Red dot)
<b>La Cocina</b>	MdM-2014h (Yellow dot) MdM-2016h (Blue dot)	MdM-2030h (Yellow dot) MdM-2033h (Blue dot)

(1) Type curve defined in 2018 without reflecting data acquired in Bajada del Palo Oeste first pad.

# Closing remarks

Ramped-up production driven by the Bajada del Palo Oeste development with first 4-well pad consolidated performance among the best in Vaca Muerta

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Significant drilling and completion improvements from the first to the second pad

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Increased Adj. EBITDA driven by higher volumes and opex efficiency

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Secured funds to ramp up Vaca Muerta development; raised over \$200 million in capital markets and closed midstream JV



**Continuing executing in line with guidance**

Thanks!  
Q&A

